

AO 91 (Rev. 11/11) Criminal Complaint

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UNITED STATES DISTRICT COURT
for the
Eastern District of Michigan

United States of America
v.
Wendy Halsted Beard

Case: 2:22-mj-30439
Case No. Assigned To : Unassigned
Assign. Date : 10/12/2022
USA V. SEALED MATTER (CMP)(CMC)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of January 1, 2017 in the county of Oakland in the
Eastern District of Michigan, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 1343	Wire Fraud
18 U.S.C. § 1341	Mail Fraud

This criminal complaint is based on these facts:

☐ Continued on the attached sheet.

Sworn to before me and signed in my presence
and/or by reliable electronic means.

Date: October 12, 2022

City and state: Detroit, MI


Complainant's signature

Julia MacBeth, Special Agent
Printed name and title


Judge's signature

Kimberly G. Altman, Magistrate Judge
Printed name and title

AFFIDAVIT IN SUPPORT OF A COMPLAINT

I, Julia MacBeth, Special Agent for the Federal Bureau of Investigation,
being duly sworn, state as follows:

INTRODUCTION AND AFFIANT BACKGROUND

1. I am a Special Agent of the FBI and, as such, an investigative or law enforcement officer of the United States within the meaning of Section 2510(7) of Title 18 of the United States Code. I am empowered to conduct investigations of and to make arrests for offenses enumerated in Title 18 of the United States Code.
2. I have been employed by the FBI since May 2016. Prior to joining the FBI, I was a Federal Air Marshal from December 2010 until April 2016. I have received law enforcement training at the Federal Law Enforcement Training Center (FLETC) and the FBI Academy. During my employment with the FBI, I have investigated federal crimes involving mail fraud, wire fraud, money laundering, investment fraud, identity theft, and various other criminal matters. At all times during the investigation described in this affidavit, I have been acting in an official capacity as a Special Agent of the FBI.

PURPOSE OF AFFIDAVIT

3. This affidavit is made in support of a criminal complaint and arrest warrant for WENDY HALSTED BEARD of violations of Title 18, U.S.C. §1343 (Wire Fraud) and Title 18, U.S.C. §1341 (Mail Fraud).
4. Based on my training and experience and the facts set forth in this affidavit, there is probable cause to believe that WENDY HALSTED BEARD, a resident of the Eastern District of Michigan, is responsible for knowingly conducting an ongoing scheme to defraud within the Eastern District of Michigan and elsewhere, related to the fraudulent retention of the proceeds of consignment sales transactions involving rare photographs.
5. This affidavit is submitted for the limited purpose of securing a criminal complaint and arrest warrant; therefore, this affidavit does not contain every fact that I have learned during the course of the investigation, but rather only those sufficient to establish probable cause to believe that BEARD violated the statutes identified above. The information contained in this affidavit is based upon my personal knowledge, training and experience, as well as the combined knowledge, training and experience of other law enforcement officers and agents with whom I have had discussions.
6. Title 18, U.S.C. § 1343 criminalizes the use wire transmissions for the purpose of executing or attempting to execute any scheme or artifice to

defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises.

7. Title 18, U.S.C. §1341 criminalizes using any private or commercial interstate mail carrier or service for the purpose of executing such scheme or artifice to defraud or attempting so to do.

PROBABLE CAUSE

8. As explained in greater detail below, a joint investigation conducted by the FBI Detroit Metropolitan Identity Theft and Financial Crimes Task Force and the Birmingham Police Department, with the assistance of the FBI Art Theft Unit, has revealed that beginning at least as recently as 2017 and continuing to the present, WENDY HALSTED BEARD, is executing and attempting to execute a scheme to defraud by receiving valuable fine art photography prints on consignment, selling the artwork without the owner's knowledge, and keeping the profits of the sale for personal gain. In addition, BEARD has sold artwork to other victims and, after receiving payment, never delivered the artwork to the purchaser. BEARD's victims are typically elderly individuals.
9. In 1969, BEARD's father, Thomas Halsted, established the Halsted Gallery in Birmingham, Michigan. The Halsted Gallery was, according to numerous victim statements, a well-respected gallery focused on photography. BEARD

worked with her father over the years and in 2018 Thomas Halsted passed away.

10. According to the Michigan Department of Licensing and Regulatory Affairs, in 2006, BEARD filed an article of incorporation for The Wendy Halsted Gallery. The gallery operated for a few years out of a storefront in Birmingham until 2020 when the gallery was closed and relocated to BEARD's Franklin, Michigan residence.
11. In 2022, the Birmingham Police Department received multiple complaints alleging BEARD had taken artwork on consignment and had not returned the artwork after the consignment period had ended. The Birmingham Police Department referred these complaints to the FBI. Throughout the course of the investigation, potentially dozens of victims were identified, this affidavit highlights just a few of these victims' interactions with BEARD.
12. As set forth in greater detail below, Victim 1 provided around \$900,000 in fine art photography to BEARD on consignment. BEARD sold at least one of the victim's mural-sized Ansel Adams photographs for \$440,000 without notifying the victim or providing the proceeds of the sale to the victim.
13. As set forth in greater detail below, Victim 2 signed a consignment agreement with BEARD for the potential sale of approximately \$15,000 worth of photography. When Victim 2 requested the artwork to be returned,

BEARD instead attempted to return copies of photographs worth a fraction of the price of the originals and represented the reproduction photos as the originals.

14. As set forth in greater detail below, Victim 3 consigned twenty original photographs with Beard valued at approximately \$40,000. After the consignment agreement ended in 2021, Victim 3 neither received money for the sale of their photographs, nor has had the photographs returned.

15. As set forth in greater detail below, Victim 4 consigned approximately \$20,000 worth of photographs with BEARD. After asking for the photographs to be returned, instead of returning the photograph BEARD mailed Victim 4 a bad check (for a photograph the victim was unaware was even sold). Another one of Victim 4's photographs was also sold without their knowledge and Victim 4 was never given the proceeds of the sale.

16. As set forth in greater detail below, Victim 5 approached BEARD to purchase an Ansel Adams photograph for \$73,000. Victim 5 paid BEARD the full amount for the photograph, however, BEARD never delivered the photograph to Victim 5.

VICTIM #1

17. One such victim, herein known as Victim 1 (age 82), was interviewed by Agents. According to Victim 1, in around 2018, Victim 1 gave BEARD approximately \$900,000 worth of fine art photography for BEARD to sell on consignment. One of the prints given to BEARD by Victim 1 was a mural-sized photograph by photographer Ansel Adams titled “The Tetons and the Snake River, Grand Teton National Park, 1942” (shown below).



“The Tetons and the Snake River, Grand Teton National Park”- Ansel Adams

18. In 2016, according to an appraisal completed by BEARD at the request of Victim 1, the above referenced photograph was valued at \$625,000.

19. According to documentation provided by Victim 1, on March 9, 2019, BEARD and Victim 1 entered into a consignment agreement for the oversized Ansel Adams image of “The Tetons and the Snake River.” The agreed-upon retail price of the image was listed at \$685,000 with a 5% commission going to BEARD as the consignee. The agreement stated, “payment will be made within 30 days of receipt by Consignee of complete payments of the purchase price.” The agreement was for a period of nine months (i.e., until December 2019). Both BEARD and Victim 1’s signatures appear on the consignment agreement.
20. Victim 1 provided the FBI with email correspondence from BEARD. On November 14, 2019, BEARD stated in an email that she took the Snake River Ansel Adams print to Jackson, Wyoming in attempts to sell but was not successful. BEARD asked Victim 1 if they would consider taking \$440,000 for the photograph, which was less than originally agreed upon. According to Victim 1, there was never any communication from BEARD that the photograph was actually sold.
21. According to records provided by a Jackson, Wyoming, gallery, herein known as H.J., on April 28, 2020—after the expiration of BEARD’s consignment agreement with Victim-1—BEARD signed a consignment agreement with H.J. to sell the Ansel Adams photograph “The Tetons and the

Snake River.” BEARD shipped the photograph to H.J. on May 4, 2020, from Franklin, Michigan. On June 3, 2020, on behalf of a private collector, H.J. purchased the Ansel Adams photograph “The Tetons and the Snake River” from Wendy Halsted (BEARD), doing business as The Halsted Gallery, for \$440,000.

22. According to bank records, on June 5, 2020, an interstate wire was sent from a H.J. LLC account with Pacific Premier Bank (headquartered in Irving, CA) to a Fifth Third Bank (headquartered in Cincinnati, OH) account ending in 5330, held in the name of The Wendy Halsted Gallery, for \$440,000. The signers on the account are BEARD and her husband, Brian Beard.

23. H.J. briefly sold the “The Tetons and the Snake River” Ansel Adams print to a private owner, who then brought it back to relist on consignment. On February 8, 2021, an Arizona based gallery owner, herein known as Gallery Owner 1, purchased the print from H.J. for \$625,000. On February 28, 2021, Gallery Owner 1 re-sold the photograph to a Montana art gallery owner, herein known as Gallery Owner 2, for \$650,000.

24. Gallery Owner 2 was interviewed and provided copies of receipts for the purchase of the Ansel Adams Photograph. Gallery Owner 2 acquired the photograph for resale to a specific client. On March 5, 2021, Gallery Owner 2

resold the photograph to the private client for \$685,000, to be displayed in a private residence in Idaho.

25. According to Victim 1, they were never notified by BEARD of the sale of their Ansel Adams's photograph, and they subsequently never received any proceeds of the sale.
26. Victim 1 made multiple attempts to have their photographs returned by BEARD, who provided Victim 1 with excuses on why the artwork could not be returned. Often the excuses were pertaining to BEARD's alleged poor pulmonary health conditions. One email received by Victim 1 on August 3, 2021, from the wendy@halstedgallery.com cited an unplanned hospital stay. In the email, signed "Wendy", BEARD claimed to have been unconscious for an extended period of time but "*got bumped up on the transplant list.*"
27. Victim 1 also received emails from other email addresses, claiming to be assistants to BEARD. A few such email addresses were juliestall04@gmail.com and katywelshlash@gmail.com. One such email sent to Victim 1 on August 11, 2021, from juliestall04@gmail.com, stated "*She has been on the transplant list for quite a while but with this progression they deemed it necessary to move her up to critical for transplant. Yesterday a successful transplantation was performed.*" Another such email written to Victim 1 on August 21, 2021, from

Katywelslash@gmail.com, stated *“Wendy (BEARD) had her double lung transplant and has been a little dicey but we are hoping they take the vent out and bring her to this afternoon or tomorrow.”*

28. Subscriber information for these accounts provided by Google Inc indicate these email addresses were both created in 2021 and registered to BEARD’s personal cell phone number.
29. Open source and law information database checks could not identify any such people by the name Katy Welsh/Welshlash or Julie Stall with a connection to the Wendy Halsted Gallery. Nor does there appear to be any payroll paid out to anyone via the Wendy Halsted Gallery bank accounts reviewed by the FBI.
30. Multiple victim’s reported receiving messages from these email accounts with statements claiming BEARD was in the hospital or in a coma and could not be contacted directly. Based on my experience and training, I believe BEARD created these and other fictitious assistants and email addresses in furtherance of the fraud and to create sympathy from her victims and justify why she had not returned their artwork.
31. According to the United Network for Organ Sharing (UNOS), there is no record of BEARD ever being on a transplant list or the recipient of a donor organ.

VICTIM # 2

32. According to a Birmingham Police report, in May 2022, an individual, herein known as Victim 2's relative, reported a possible larceny on behalf of their father, Victim 2 (age 89), who was elderly and suffered from Alzheimer's disease. Victim 2's relative reported that in January 2020, Victim 2 met with BEARD at the Halsted Gallery in Birmingham. Victim 2 gave BEARD five photographs by artists Ansel Adams, Ion Zupco, Arnold Newman, and Jerry Uelsma to sell on consignment. A few months later, Victim 2's relative was not pleased with the progress BEARD was making and requested to end the consignment agreement. Prior to returning the photographs, BEARD dropped the photographs off at a local framer to be framed. When Victim 2's relative received the photographs back from the framers they noticed that one image, a signed photograph by Ansel Adams titled "Tenaya Creek", was now missing the artist's signature. Further, a second image purporting to be a signed photograph by Ansel Adams titled "Siesta Lake Portfolio" was, in actuality, an altogether *different* Ansel Adams photo known as "Moon and Half Dome". BEARD was evasive when Victim 2's relative attempted to contact her to try and get the correct photos returned.



Victim's original "Tenaya Creek" with Ansel Adams signature, lower right



"Tenaya Creek" without signature returned to victim by BEARD

33. On the morning of May 24, 2022, Birmingham Police Detectives went to the BEARD's residence. BEARD agreed to return the two missing Ansel Adams photographs. BEARD walked into another room of BEARD's residence and retrieved *three* wrapped and framed photographs, insisting they were the

missing photographs belonging to Victim 2. The detective unwrapped the photos, determined they were still the incorrect pictures, and left without taking any photographs.

34. On June 3, 2022, BEARD dropped off two photographs to the Birmingham Police Department. One was the correct “Siesta Lake” photograph belonging to Victim 2; however, the other photograph was yet another incorrect photo of “Yosemite” and not the signed “Tenaya Creek”.

35. According to the consignment agreement between BEARD and Victim 2, the “Sierra Lake” picture was valued at \$3,000 to \$5,500. The “Tenaya Creek” photograph was valued at \$4,000 to \$5,500.

36. Images taken of the photographs provided by BEARD to Victim 2 were sent to the Ansel Adams Gallery in Yosemite, California for authentication. A representative of the gallery stated the two prints, “Moon and Half Dome” and “Tenaya Creek”, which BEARD tried to portray as Victim 2’s original signed photographs as valued above, were reproduction prints which could currently be purchased from the gallery’s giftshop for \$375 each.

37. Consistent with this, Paypal Inc. records for BEARD showed that on July 2, 2020, BEARD purchased a photograph described as “Tenaya Creek, Dogwood, Rain - Unframed / No Color” from Best Studio Inc. for \$405.26.

38. According to The Ansel Adams Gallery in Yosemite, CA website, anseladams.com, the gallery operates as Best Studio Inc, dba The Ansel Adams Gallery. On the official website there are photographs for purchase. One such photo is titled "Tenaya Creek, Dogwood, Rain", of which an unframed 8x10" copy can be purchased for \$375 and shipped to Franklin, MI, for approximately \$30.
39. On June 25, 2020, just one week prior to BEARD purchasing a reproduction print, Victim 2's Relative had requested in an email that BEARD return their photographs.
40. Further, in March 2022, Victim 2's Relative emailed BEARD to notify her that the photographs returned to Victim 2 were the incorrect photographs. BEARD replied from wendy@halstedgallery.com on March 18, 2022, with *"I wondered where that moon and half dome was and assumed it was in FL inventory. Strange that would have gotten mixed up as is one of the more valuable adams."* The "Moon and Half Dome" photograph referred to by BEARD is the same one the Ansel Adams Gallery representative valued at \$375, as referenced in paragraph 36. In my professional experience, this showed either BEARD did not have the knowledge of photography she portrayed to her clients, or she was intentionally trying to deceive the victim into taking a photograph of much lesser value.

VICTIM # 3

41. A victim (age 69), herein known as Victim 3 filed a complaint with the Birmingham Police Department, which was subsequently referred to the FBI. Victim 3 was a Pulitzer Prize winning photojournalist and college professor. Victim 3 had an extensive collection of rare photographs collected throughout their career. In February 2020, Victim 3 emailed the Halsted Gallery to sell some rare original photographs on consignment, since they had great respect for BEARD's father, Thomas Halsted. Victim 3 and BEARD had subsequent messages to arrange a meeting to review the photographs. BEARD agreed to sell twenty (20) of Victim 3's photographs on consignment for a lump sum of \$40,000. The consignment agreement paid BEARD a 10% commission and expired after one year. BEARD planned on taking the photographs to an exhibition she was hosting in a Florida gallery.
42. One of the twenty photographs Victim 3 placed on consignment with BEARD was "Human Pin Cushion, Maryland, 1961" by Diane Arbus. BEARD valued this photo at \$8,500. The photograph had originally been purchased by Victim 3 from BEARD's father, Thomas Halsted, in 1972.



"Human pin cushion, Maryland, 1961" Diane Arbus

43. According to Victim 3's statements to law enforcement, after about six months BEARD became evasive. Victim 3 contacted the gallery in Florida and was provided contact information for BEARD's assistant, "Katy Welsh" (as referenced above).

44. In May 2021, Victim 3 lost all of his life's work and art collection in a residential fire. Victim 3 subsequently attempted to contact BEARD but was unable to reach her. It is now approximately 18 months after the expiration of

the consignment agreement, Victim 3 has never been paid for any of the photographs on consignment, and BEARD never returned any of them.

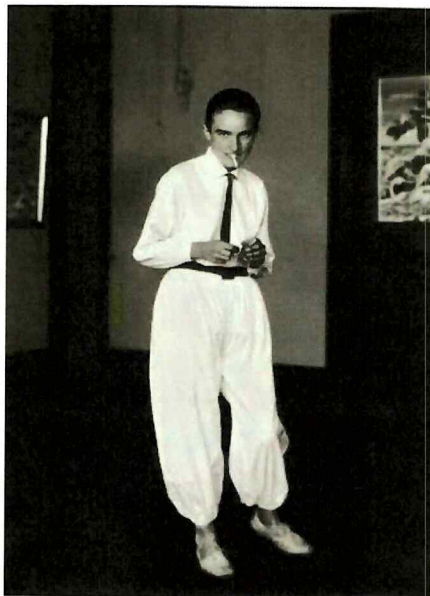
FLORIDA GALLERY

45. Numerous victims interviewed by the FBI were told by BEARD she was going to take their artwork to her gallery in Florida to sell. An open-source internet check revealed the Palm Beach Art, Antique & Design Showroom, herein known as Palm Beach Art in Lake Worth, Florida, hosted a gallery opening show for the Wendy Halsted Gallery in March 2021. Palm Beach Art offers rental space for art dealers to display and sell their art.
46. The FBI contacted Palm Beach Art to inquire about BEARD and spoke with the executive director of the showroom. BEARD had leased space in the showroom in January 2021 for a period of seven months. After the lease term had ended, BEARD left an inventory of sixty-two (62) photographs at Palm Beach Art. Management of the showroom attempted to contact BEARD to pick up her artwork. Numerous people had been contacting Palm Beach Art to inquire about their artwork which was given to BEARD on consignment.
47. An inventory list of 62 photographs was provided by the Palm Beach Art Showroom to the FBI, which contained artwork belonging to identified victims, which was not returned to them after the period of consignment had

ended. One of these photographs belonged to Victim 3, “Human Pin Cushion” (referenced above).

VICTIM #4

48. A California based victim (70 years old), herein known as Victim 4, was interviewed by the FBI. In early 2019, Victim 4 placed four items—a signed Ansel Adams book and three photographs, one of which was “Painter’s Wife, Helen Abelen” by August Sander—on consignment with BEARD.



Painter's Wife-Helen Abelen by August Sander

49. In early 2022, after a few years and the items not selling, Victim 4 requested everything to be returned. On August 4, 2022, Victim 4 received a UPS package, which according to UPS records was originally shipped on July 25, 2022, containing the signed Ansel Adams book and a check for \$4,000, dated

November 9, 2021. The memo on the check stated “Edward Weston”, which Victim 4 concluded was for the sale of their Edward Weston photograph, even though Victim 4 was never made aware that any photographs were sold. The check was written on the Fifth Third Wendy Halsted Galley account ending in 5330. Victim 4 had concerns over the backdated check and contacted Fifth Third bank, which disclosed BEARD’s account ending in 5330 had been closed and therefore the check was could not be cashed.

50. Moreover, the Wendy Halsted Gallery account ending in 5330 had been closed on July 19, 2022, six days before BEARD sent a check written from that account to Victim 4.

51. BEARD claimed she would return the other two photographs, including “Painter’s Wife-, Helen Abelen” by August Sander, to Victim 4, who has still yet to receive them.

52. Of significance, the Palm Beach Art employee referenced above provided email records to the FBI which show on October 14, 2021, the Palm Beach Art Showroom, at the request of BEARD, shipped the photograph “Painter’s Wife- Helen Abelen” by August Sander to an address of an art dealer in Los Angeles, CA.

53. FBI spoke with the Los Angeles based private art dealer, herein known as the LA Dealer, who stated BEARD had given them two photographs to sell

on consignment. BEARD sent LA Dealer two photographs by August Sander, one of which was the photograph "Painter's wife- Helen Abelen". The LA Dealer sold this to a private collector and paid BEARD \$7,875 for the sale of the photograph on March 1, 2021. The Dealer was provided a bank account at Bank of America in the name of BEARD's daughter, Eleanor Beard, to wire the funds.

54. The LA Dealer could not find a buyer for the other photograph and shipped it back to BEARD at her Franklin, Michigan residence.

VICTIM # 5

55. A victim (age 72), herein known as Victim 5, was interviewed by the FBI in September 2022. Victim 5 was a long-time friend of BEARD. Victim 5 was contacted by BEARD in July 2021, who was inquiring whether Victim 5 was interested in purchasing an Ansel Adams photograph titled "Moonrise-Hernandez" for \$73,000. Victim 5 paid BEARD for the photograph in two payments, \$40,000 and \$33,000 in the form of personal checks.



Ansel Adams, Moonrise Hernandez

56. On August 12, 2021, a \$40,000 check from Victim 5 was deposited in an account held in the name of Wendy Halsted Gallery. On September 7, 2021, a second check was deposited into the same Wendy Halsted Gallery account from Victim 5 for \$33,000.

57. Victim 5 attempted to contact BEARD about the Ansel Adams photograph which Victim 5 had paid for. BEARD was evasive and gave various medical reasons for why she had not shipped the photo to Victim 5. On September 1, 2022, Victim 5 received an email from BEARD, with the following message:

“On Computer finally. Been a crazy last bit....Not all gone but at least out of the months long coma. Nice to see the sunshine sorry so short more later.”

As referenced above, this would have been the second medical coma BEARD experienced within a year. Just two weeks prior, on August 18, 2022, BEARD was observed by the FBI, while on physical surveillance, leave her

residence, and drive to a Detroit parking structure owned by the same company in which BEARD's bank account records show incoming payroll deposits since approximately January 2022. BEARD did not appear to be physically impaired.

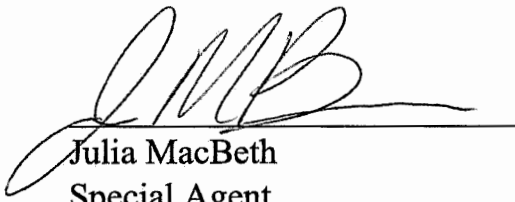
CONCLUSION

58. During the course of this investigation, over 100 rare fine art photographs with a combined estimated value of approximately \$1.6 million have been identified as being consigned to BEARD and not returned or sold to victims without being delivered. Bank records and other business records indicate there are likely be more victims who have yet to be interviewed.

59. Based on the investigation thus far, including the facts set forth above, your affiant submits that there is probable cause to believe that WENDY HALSTED BEARD has executed a scheme to defraud by receiving valuable fine art photography prints on consignment, selling the artwork without the owner's knowledge, and keeping the proceeds of the sale for personal gain. In addition, BEARD has sold artwork to victims and after receiving payment, never delivered the artwork to the purchaser. There is also probable cause to believe that interstate wire transactions and interstate mail services were used to execute the scheme to defraud.

60. Therefore, your affiant believes that probable cause exists that WENDAY HALSTED BEARD violated Title 18, U.S.C. §1343 (Wire Fraud) and Title 18, U.S.C. §1341 (Mail Fraud).

Respectfully submitted,



Julia MacBeth
Special Agent
Federal Bureau of Investigation

Sworn to before me and signed in my presence
and/or by reliable electronic means.



Kimberly G. Altman
United States Magistrate Judge

Dated: October 12, 2022